



REPORT OF INVESTIGATION

File Number: 05-068

Agency: Georgia Department of Technical and Adult Education

Basis for Investigation: Agency Initiated

Allegations: Inaccurate reporting practices within the Office of Adult Literacy

Date Opened: June 9, 2005

Investigated By: Deborah W. Copeland, Deputy Inspector General
James P. Walker, Deputy Inspector General

Date of Report: July 20, 2005

James E. Sehorn, Inspector General

OFFICE OF THE INSPECTOR GENERAL



File Number: 05-068

EXECUTIVE SUMMARY

In June 2005, the Department of Technical and Adult Education (DTAE) contacted the Office of Inspector General (OIG) requesting assistance concerning an allegation of inaccurate reporting practices within the Office of Adult Literacy (OAL). During the course of this investigation, other matters arising from the allegation were discovered and are addressed in the Report of Investigation. In the process of investigating this complaint, the OIG reviewed official files, computer records, DTAE policies and procedures, and specific federal rules and regulations relating to the case. Relevant state employees and other individuals were also interviewed.

The OIG investigation disclosed no evidence to suggest that fraudulent data was reported on any state or federal reports compiled within the Office of Adult Literacy. However, the investigation did reveal the fact that OAL's data collection efforts as a whole, have resulted in inaccurate reporting practices.

The OIG investigation confirmed that OAL's existing data collection system does not have the capacity to report information as required by a federal mandate. The absence of a Management Information System (MIS) has resulted in the decreased efficiency of both employees and programs. In addition, a recent federal review by the U.S. Department of Education's Office of Vocational and Adult Education further documents required actions by DTAE, to include establishing a MIS system. The federal report recommends strategies that the DTAE may wish to implement to improve program quality and accountability standards.

The OIG offers the following recommendations to the Department of Technical and Adult Education. The agency is requested to provide a response to the OIG within 30 days of the issuance of this report.

1. Establish an individual student level database, complying with the National Reporting System (NRS) requirements. As outlined in the U.S. Department of Education's April 2005 "State Monitoring and Technical Assistance Report," the DTAE's management information system is not in compliance with the federal mandate.
2. Provide the OIG with a copy of the agency's Corrective Action Plan for the required actions addressed in the U.S. Department of Education's April 2005 "State Monitoring and Technical Assistance Report." The OIG will monitor the plan to evaluate agency compliance.

3. Review staff assignments within the OAL, to ensure employees are being used commensurate with their skills and abilities, in order to accomplish goals and objectives of the Division and the Agency.
4. Review Information Technology (IT) support staff assignments in the Office of Adult Literacy specifically to determine if they should remain allocated to OAL or be integrated into the main IT Division.
5. Develop better communication and enhance cross-training skills among employees within the OAL, to ensure that all employees within the Division understand their operational requirements and administrative parameters as they relate to state and federal rules and regulations.
6. Develop better communication within the Office of Adult Literacy and other Divisions. During this investigation, it was apparent that either the OAL staff failed to clearly communicate and/or the IT staff failed to clearly understand the required federal mandate imposed on OAL to implement a management information system, complying with the National Reporting System requirement of the Workforce Investment Act of 1998.



Report of Investigation

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Summary of Actions 05-068

I. BASIS FOR INVESTIGATION

In June 2005, the Department of Technical and Adult Education (DTAE) contacted the Office of Inspector General (OIG) requesting assistance concerning an allegation of inaccurate reporting practices within the Office of Adult Literacy (OAL). During the course of this investigation, other matters arising from the allegation were discovered and will be addressed in this report.

II. ACTION TAKEN IN FURTHERANCE OF INVESTIGATION

In the process of investigating this complaint, the OIG reviewed official files, computer records, DTAE policies and procedures, and specific federal rules and regulations relating to the case. Relevant state employees and other individuals were also interviewed.

III. NARRATIVE

Background

The DTAE oversees the state's system of technical colleges, the adult literacy program, and a host of economic and workforce development programs. The department has four divisions: Administrative Services, Technical Education, Quick Start, and Adult Literacy.

The Office of Adult Literacy (OAL) is the largest adult literacy provider for other state agencies and facilitates collaboration among state and local entities to improve literacy efforts for adults needing basic, English literacy, or specialized skills instruction. Through its network of 37 Service Delivery Areas (SDAs) throughout the state, OAL promotes and provides adult basic education and literacy programs, including the General Educational Development Testing program that awards GED diplomas. Service Delivery Areas are counties, or portions thereof, assigned to each Technical College to delineate areas of responsibility and accountability for delivery of training services to business and industry. OAL staff members are responsible for providing technical assistance to the SDAs, granting state and federal funds, and monitoring and evaluating ongoing programs. The office is the primary fiscal agent for the U.S. Department of Education's adult literacy funds.

Overview of OAL's operational requirements relative to OIG investigation

During this investigation, the OIG reviewed the federal funding process as well as the mandated reporting requirements that apply to OAL. This allowed the OIG to identify OAL's operational requirements as well as their administrative parameters.

The OAL falls under the umbrella of the U.S. Department of Education's Office of Vocational and Adult Education (OVAE) located in Washington, DC. OVAE provides technical and program improvement assistance to state adult education systems and carries out national leadership functions in adult education. OVAE's Division of Adult Education and Literacy administers the Adult Education and Family Literacy Act, and Title II of the Workforce Investment Act (WIA).

The OVAE is responsible for administering the Adult Education formula grant program to the states, and providing assistance to states to improve program quality and capacity. The OVAE has an Accountability Team that provides assistance to states in promoting excellence in state reporting systems, planning, and development, and reviews annual performance and fiscal reports. The Accountability Team also reviews and resolves audits and evaluates the effectiveness of state-administered grant programs. Further, they provide national data and

prepare reports to Congress on needs, accomplishments, and trends in adult education programs.

The OVAE also has four regional Monitoring and Administration Teams that serve as liaison to states. These teams assist states with effective planning and administration of grant programs, on-site monitoring, and administrative technical assistance.

Federal Funding and Basic Grants to States

The Workforce Investment Act of 1998 (Public Law 105-220) provides for basic federal grants to states in support of adult education programs. The grants provide educational opportunities for adults over the age of 16, not currently enrolled in school, who lack a high school diploma or the basic skills to function effectively as parents, workers, and citizens.

Basic grants to states are allocated by a formula based upon the number of adults, over age 16, who have not completed high school in each state. The grants are census-driven. States distribute funds to local providers through a competitive process based upon state-established funding criteria. States prepare plans for providing adult education services over a five-year period. Under the WIA, adult education plans may be part of state unified plans for workforce development, or may cover only adult education.

Federal Reporting Requirements

In 1998, the Adult Education and Family Literacy Act within the Workforce Investment Act (WIA-P.L. 105-220) became law. The Act established accountability requirements, including the requirement that states develop outcome-based performance standards for adult education programs, as one means of determining program effectiveness. In order to conform to the Workforce Investment Act requirements, the US DOE's Office of Vocational and Adult Education developed the framework and measures for a National Reporting System (NRS). NRS requirements became effective for the program year beginning July 1, 2000. *State compliance with NRS is a critical factor for the receipt of federal funds for adult education programs.*

National Reporting System (NRS)

The NRS is the accountability system for the federally funded adult education program, mandated by the Workforce Investment Act. The NRS includes student measures to describe adult education students, program participation and assessment of the impact of adult education instruction, methodologies for collecting the measures, reporting forms and procedures, and training and technical assistance activities to assist states in collecting the measures. The NRS requirements became effective beginning July 2000.

The OIG investigation confirmed that the NRS report is highly complex in its data collection policies and procedures. Consequently, a key state responsibility is to establish statewide uniform methods of student assessment, provide staff development to local staff on these methods, monitor local programs to ensure methods are followed, and provide technical assistance on the methods where needed. NRS also requires that states establish an individual student record system employing a relational database for local programs.

In an attempt to comply with NRS, DTAE's Office of Adult Literacy collects data from the 37 Service Delivery Areas (SDAs) on a quarterly basis. The actual NRS report is comprised of 13 data tables that are required to be aggregated prior to annual submission to the federal government. Although the NRS report is only required annually, OAL collects information quarterly in an effort to assist with preparation of other required state reports, including but not limited to, the agency's Annual Report, Strategic Planning, and requirements of the Office of Planning and Budget. Certain data is also extracted from the quarterly reports for use in the

state's applications for federal Workforce Investment Act Incentive Grants, in conjunction with the Georgia Department of Labor.

Workforce Incentive Grants

Section 503 of the Workforce Investment Act (WIA) provides for incentive grants that reward states for successful performance of their workforce and educational programs. Each year the Federal Register publishes the names of those states eligible to receive incentive grants based on exceeded performance levels, and outcomes in adult education and vocational programs. The goals established by WIA include placement after training, retention in employment, and improvement in literacy levels, among other measures. Qualifying states must apply to the U.S. Department of Labor by a certain date. To date, typically less than one-half of the states can qualify for incentive grants. Georgia has received incentive grants for several years based upon overall performance by the state's Department of Labor, Department of Education, and DTAE's Office of Adult Literacy.

The OIG investigation revealed that OAL has included the following excerpt in the proposed activity section of the state's WIA Incentive Grant application since 2002:

"The OAL will increase the number of adult learners with disabilities served and develop an integrated information system. The Office will also work with partner agencies to develop an integrated management system that will include adult literacy data and improve the quality of state and national data reports."

The OIG investigation confirmed that OAL still does not have an integrated management system in place despite the fact that the agency has received funds from various grant applications addressing this "need."

Interview with Florence Halloran, Complainant

Allegation: *that Marilyn Shaw, Manager of State and Federal Grants and Reporting Services, has engaged in inaccurate reporting practices within OAL.*

On June 16, 2005, the OIG met with Florence Halloran, Ph.D., OAL Education Program Coordinator, to discuss her allegation.

Halloran stated that her primary job for five years has been to assist with the preparation of DTAE quarterly and NRS annual reports. She was initially hired by former Assistant Commissioner Jean Devard-Kemp to do assessments and evaluation work for OAL. However shortly after employment, she was assigned to work for Marilyn Shaw in Reporting Services. According to Halloran, this assignment occurred because OAL was experiencing difficulties with data collection and reporting. Halloran stated that she worked for Shaw until 2004 when she filed a grievance about Shaw's "mistreatment of staff in general." Halloran claims that as a result of the grievance against Shaw, Marion Delaney-Harris, another manager within OAL, was asked to supervise her. Her duties remained the same. *Investigator's Note:* Delaney-Harris, who is on extended sick leave, was not interviewed by the OIG.

According to Halloran, shortly after she was hired, she created a template of spreadsheets using Microsoft Access 2000 software in an effort to help OAL improve its data collection efforts. She provided the 37 SDAs with the template on diskette for the purpose of collecting student enrollment and other required data for the DTAE quarterly report and the federal NRS report. In turn, the SDAs submit the data electronically back to DTAE on a quarterly basis. The data includes fields for areas such as enrollment; contact hours; and graduation by county, by program, and student functioning level. Halloran and another employee work to append and compile all of the SDA data for Shaw, OAL's State and Federal Grants Manager. Halloran stated that Shaw then analyzes the data, requests corrections from the SDAs if required, and compiles

and submits various reports, one of which is the annual NRS report required by USDOE Office of Vocational and Adult Education.

Halloran cited three instances over a five-year period that led to her belief that Shaw was reporting inaccurate data to the federal government. First was an email message Halloran found in 2000 that had been written by her predecessor, Preston Coleman. In the email, Coleman alleged that Shaw was possibly falsifying NRS data. Secondly, in 2001, Halloran found it suspicious when she requested the previous year's data from Shaw and was told that the secretary had lost all of the files. Lastly, in 2002, Halloran found Shaw's draft of the FY2002 NRS Table 4a in the copying machine and compared its content to the one Halloran had extracted from her Access 2000 database. Halloran noted discrepancies in the data. However, Halloran did not make her concerns known until 2005.

Subsequently, on June 27, 2005, during a second OIG interview, Halloran was questioned in detail about quarterly verses end of the year NRS reports. Halloran stated that the "quarterly report is hated by all; i.e., local SDAs & OAL staff..." and that information received from the SDAs for reports "is often wrong and DTAE OAL staff has to request corrections." As a result of the SDA's submission of inaccurate data on a regular basis, Halloran explained that Shaw "did not trust SDA information or the Access 2000 database spreadsheets which I created in-house." Halloran stated that when Shaw discovers inaccurate data, she contacts the SDAs to "request that they correct data and resubmit their report to DTAE." Halloran disagrees with the manner in which Shaw "checks every county's information individually by splitting the 12 tables and analyzing them separately." Halloran stated that if she were doing Shaw's job, she would "ask the SDAs for corrections and analyze all 12 tables at once, rather than breaking them down." When questioned directly as to whether or not SDA information is routinely submitted inaccurately to DTAE, Halloran admitted that William Gathers, another employee who works with the reports, claims, "The spreadsheet tables are corrupt." Halloran, however, thinks "there are so many versions/revisions submitted by the SDAs, that the information overlaps."

During the OIG interview, Halloran presented a stack of corrections from the SDAs for the most recent NRS report. The stack was observed to be comprised of folders approximately 12-14" high. Halloran showed this to the OIG to emphasize the cumbersome nature of the data collection process required to complete the NRS report.

Interview with Preston Coleman

The OIG conducted a telephonic interview with former employee Preston Coleman. Coleman stated that he worked in OAL less than one year, from 1999 to 2000, until he was terminated. Coleman stated that he was hired as an Operations Analyst to ensure the SDAs complied with requirements of the Workforce Investment Act. His primary job involved compiling data from the SDAs which was eventually reported to the US DOE's OVAE. Coleman reiterated the contents of the 1999 email message referenced by Halloran. He spoke freely about how disturbed he had become after returning from vacation to find that Shaw had changed one of the SDA's enrollment statistics, although the reports were his primary responsibility. Coleman described Shaw as a very hard worker and one "who took the bulk of the responsibility for budgets, statistics, documentation, any business aspect of the OAL." Coleman stated that he did not know if state or federal money was tied to the enrollment numbers.

Review of Official Files in OAL

During this investigation, the OIG reviewed numerous files located within the Office of Adult Literacy (OAL). The file review included but was not limited to the agency's five-year State plan for Adult Literacy, along with several extensions. This plan is mandated by the Workforce Investment Act of 1998 and is submitted to the U.S. Department of Education's Office of Vocational and Adult Education. Multiple documents pertaining to the federally mandated National Reporting System (NRS) were also reviewed.

Interview with Rodney Dorton

On June 21, 2005, the OIG interviewed Rodney Dorton, Fiscal Operations Manager for OAL. Dorton has worked in this capacity for approximately five years and has attended several training forums on grants management, including the Financial Managers Institute in Washington, DC.

Dorton stated that he has always been allowed to carry out his job duties exactly per regulations. He has worked closely with Marilyn Shaw regarding accounting matters. Dorton spoke very highly of Shaw and stated that he has never observed any indication that she is involved in wrongdoing or inappropriate use of state or federal resources. Dorton stated that Shaw in particular, is a "professional manager who expects things to be done correctly and on time."

Dorton provided an overview of OAL's state and federal grant history, including federal incentive grants. He stated that like other states, DTAE has a five-year federal plan for the adult literacy program. The department is now in its third extension of the five-year plan (which means they are in the eighth year of carrying out a five-year plan.) Dorton explained that the U.S. Department of Education grants have specific guidelines and limitations set forth in regulations. He stated that DTAE allocates the grant money to the SDAs by reimbursable contracts and is therefore able to track the SDAs expenditures.

When questioned about the existence of any issues concerning inaccurate reporting practices within OAL, Dorton stated that he had no knowledge to support the allegation. However, Dorton stated that he was aware of specific findings from an April 2005 federal review of OAL. He provided the OIG with a copy of the recent U.S. Department of Education "State Monitoring and Technical Assistance Report" which outlines all of the findings.

Required Action #1 addressed in the federal report referenced above reads, "Establish an individual student level database, complying with National Reporting System (NRS) requirements." **The state's existing data collection system does not comply, as it does not have the capacity to report information as required by federal mandates.** Additional information relating to the federal findings will be addressed later in this OIG report.

Interview with Marilyn Shaw

On June 24, 2005, the OIG interviewed Marilyn Shaw concerning the allegations of inaccurate reporting practices within OAL. Shaw is the Manager of State and Federal Grants and Reporting Services. Shaw stated that she is very upset about the allegations raised against her because she has always tried to do her job to the best of her ability. She stated that for ten years she and other OAL employees, including GED Manager Kim Lee, have "desperately tried to get a management information system in place at DTAE." She stated that the 1998 Workforce Investment Act mandated that state adult literacy programs have a Management Information System. However, Shaw stated that although federal grant money awarded could have been used for technology implementation, the agency still does not have one in place. Shaw provided the OIG with copies of documents dating back to 1998 wherein she had drafted OAL inputs to the agency's Technology Plan concerning the need for a student-level MIS system. Shaw also provided the OIG with copies of documents showing that as late as 2002, the Georgia Technology Authority was not in support of DTAE's IT division adopting a more sophisticated MIS system called Literacy Pro for use by OAL.

Shaw stated that she learned in a DTAE meeting of June 9, 2005, that the administration "now wants the MIS system to become a reality as a result of the findings documented in the April 2005 U.S. Department of Education's Technical Assistance Review." Shaw stated that it was her understanding that the final report would address the fact that the state is still in noncompliance with the National Reporting System because there is no MIS system in place to track individual students from the local level of the adult literacy program. Shaw also believed the federal report

would address the fact that there was a finding wherein “some OAL technology and GED staff salaries were being allocated from federal money.” According to Shaw, this is not an allowable use of funds per federal guidelines.

When questioned by the OIG about recurring reports submitted by OAL for state or federal purposes, Shaw provided intricate details, citing pertinent rules and regulations with which the state should be in compliance. Shaw stated that NRS statistics measure three core areas 1) program level completions, 2) GED completions and, 3) a student’s outcome with regard to job placement, post-secondary education or higher education attendance. She stated that it is the ultimate goal of the Workforce Investment Act that the third measure would be tracked. However, she stated that ironically, it is the measure most difficult to track because the student population is transient in nature, making “follow-up” tracking by the SDAs extremely challenging and often impossible.

According to Shaw, other states are “struggling” with collecting NRS information, including states who have implemented more sophisticated MIS systems. Shaw advised that the NRS reports in Georgia are a result of information collected by hand at the classroom level and the information is derived from self-reporting.

Shaw stated that in July 2004, her supervisor, Marion Delaney-Harris, “took control for handling reports and final numbers.” Shaw said this happened in conjunction with a scenario wherein she “disagreed with the 144,000 enrollment number released for DTAE’s Annual Report.” Shaw stated, “I disagreed with the 144,000 number because there was nothing else to support it. Historically, our total enrollment number had been being around 120,000.” Shaw explained that the problem with releasing a higher number like that is that the next year, you would need to exceed that bar. Shaw maintains that the total enrollment number does not effect funding, but that former DTAE Commissioner Breeden expected to see yearly increases. Shaw stated emphatically, “I feel we have a responsibility to get the numbers as right as possible, given the fact that statistics are quoted by the Commissioner and Governor in state reports.”

Shaw advised the OIG that reports for state purposes typically reflect a higher enrollment total. She stated the reason for the higher total is that the state report reflects the total number of adult education students served by adult literacy programs. In contrast, Shaw referenced the fact that federal NRS reports “only count adult education students with 12 contact hours.”

Concerning the relevancy of the numbers on state and federal reports, Shaw advised that the enrollment numbers “are not tied to money received from the feds by DTAE.” Rather, Shaw stated that the numbers are important because the Commissioner used them to evaluate technical school presidents. Shaw reiterated that “the federal money that DTAE gets is based upon the census showing the number of people in need of Adult Literacy in Georgia.”

Shaw explained how she believed the requirements of the Workforce Investment Act resulted in a growing OAL staff over the last five or so years. She recalled that Florence Halloran was hired in 2000 to assist with assessment and evaluation but was subsequently assigned to assist with student data collection for reporting purposes. Shaw acknowledged the fact that Halloran volunteered to “create a database using the software program Access 2000.” According to Shaw, Halloran’s database is still used by the SDAs today and consists of spreadsheets on a template. Shaw stated that the information for the spreadsheets is collected by the teacher at the local level, provided to the SDA, and then sent to Halloran via quarterly reports attached to email. Halloran then places the quarterly reports on the “O” drive in the Data Team’s folder. Halloran and Gathers subsequently append the reports and provide them to Shaw, Delaney-Harris, and the Assistant Commissioner.

Shaw stated that when she receives the quarterly reports, she checks the tables for missing data or data that is skewed. Shaw stated that she “cannot remember a single time when the reports have arrived correctly from SDAs” and added “the reports are riddled with errors.” Shaw stated

that when she cites errors, she contacts the SDA and instructs them to recompute and submit a corrected report to DTAE and that the SDAs routinely do so. In defense of the field employees, Shaw stated, "They do not mean to send in incorrect information; it's just that most of them do not understand how the tables inter-relate with one another."

Shaw stated that the NRS report for December 2004 had "so many corrected quarterly reports from the SDAs that it wound up being several inches thick." She also stated "she believed that the Access 2000 database was corrupt and as a result, numbers had to repeatedly be reworked." Shaw stated that she had asked Halloran to document the incidents concerning the database, however, Halloran did not. Shaw stated that it is her belief that Halloran refrained from documenting inefficiencies of Access 2000 because she is "reluctant to document problems associated with a database she created, for fear it might cause her to lose her job." Shaw opined that Halloran would not lose her job but that she could in fact be used "in more effective ways such as assessment and evaluation within OAL, rather than continuing to try to use an unsophisticated database."

Shaw stated that the US DOE's OVAE "will not accept an error-filled NRS report." Therefore, in an effort to submit correct reports by established federal deadlines, it is often Shaw's "best guess as to what a number should be adjusted to." Shaw stated that she "has to rely on previous data and go with a conservative estimate as to what a realistic figure should be." Shaw stated that she believes Halloran understands that "adjustments always have to be made because the tables won't agree in order to submit the NRS report to the feds." Shaw stated that it seemed as if former Assistant Commissioner Devard-Kemp was "never willing to admit that the Access 2000 database was an ineffective tool for DTAE OAL to use for collecting student information."

Concerning the importance of the NRS report, Shaw advised the OIG that she took the report seriously. She believed that Dr. Devard-Kemp or Commissioner Breeden would have terminated her employment, had she failed to compile and submit it by the established federal deadline. Shaw further advised that states always "believe there is the potential for the feds to withhold money." However, to Shaw's knowledge, the federal government has never told DTAE that they have any "problems with the NRS report." She again reiterated that it is her understanding that federal grant money is not based on the NRS report, but rather, based on census of need.

Shaw stated that the US DOE's OVAE is working with DTAE on how the three core indicators can be increased. The bottom line, per Shaw, is that "if Georgia and other states look better, then the U.S. DOE looks better." She added that Adult Literacy from the nation as a whole "did not meet federal goals/core indicators, and that "the feds are looking for ways to increase adult literacy numbers because they have basically been rolling up errors in their reports to Congress." Shaw stated that in February 2005, federal authorities announced an impending formula change, which should improve the situation for state reporting.

Shaw acknowledged that in 1999, former employee Preston Coleman made an allegation concerning falsification of reports. Shaw stated that during that time frame, Coleman compiled data from the SDAs. According to Shaw, one of the SDAs submitted a corrected report while Coleman was on vacation. In an effort to correct the information initially compiled by Coleman, Shaw stated that she accessed his computer and updated the data. Shaw recalled that Coleman objected to the fact that she had accessed his computer and changed what he considered his report and responsibility. Shaw saw the responsibility of reporting "as a responsibility of the Division of OAL, not one employee's responsibility," particularly given the fact that Coleman was on vacation and amended information had been submitted by an SDA.

Interview with Kim Lee

On June 30, 2005, the OIG interviewed Kim Lee, one of five managers working within OAL. Lee has been employed in the division since 1994. When questioned about information surrounding the issue of OAL's management information system, Lee was forthcoming and provided copies of

pertinent documents outlining OAL's "need for implementation of a student-level MIS system for Adult Literacy." The documents reflect OAL's historical input since 1999-2000 period, including sections of the agency's Strategic Plan and Information Technology Plan. Also included in the documents is correspondence addressing the "limitations with the projected capacity of the Access 2000 database" and "issues of on-site visits for monitoring SDAs."

Lee stated that because of her personal experience in implementing technology into the GED program, she routinely questioned the "reliability" of using Halloran's Access 2000 database for the "large amounts of data collected state-wide by Adult Literacy." Lee stated that she learned that "Oracle-based programs are much more efficient for collecting data."

According to Lee, OAL's grant monies could have been used to implement the technology required by the Workforce Investment Act (WIA) of 1998; however, the former administration was not willing to allocate money for this purpose. Lee stated that in 2004, OAL received a WIA Incentive Grant, and that the need for a MIS system was documented in the grant application. Lee stated that it is her understanding that the \$400,000 Incentive Grant is being split in half for two different programs, one of which is implementation of the MIS system. Lee stated that in addition, OAL has another WIA Incentive Grant forthcoming that will be used for MIS implementation. Lee stated that staff from the DTAE Information Technology Division has been assigned to assist OAL with this effort. Lee described ongoing research efforts by OAL including contact with several other states for reviewing the effectiveness of their MIS systems.

When questioned about the recent technical review of OAL by federal authorities, Lee stated that to her knowledge US DOE OVAE has not visited the agency since she began working there in 1994, and that it had reportedly been 14 years since their last visit. Lee stated that other than the April 2005 report from OVAE, DTAE has not received any other admonishments.

When questioned as to her knowledge of the complainant's allegation that Marilyn Shaw may have manipulated for reports, Lee sighed deeply and provided the following explanation. Per Lee, since Halloran's "Access 2000 database is not an adequate tool for collecting large amounts of data," manipulation most likely had to occur in order to get the SDAs information compiled and eventually reported in compliance with the National Reporting System requirements. Lee acknowledged that the OAL staff has experienced extreme challenges with reporting requirements mandated by WIA.

Interview with Bill Gray

On July 5, 2005, the OIG met with Bill Gray, DTAE's Chief Information Officer. Gray has worked at the agency since 1993. Questions were posed to Gray about his knowledge and experience working with staff from the OAL on MIS systems and Information Technology (IT) initiatives.

Gray stated that in the past, IT staff was charged with determining if the agency's existing BANNER student information system used at the technical colleges could be used and/or modified in order to collect certain data field information required for Adult Literacy reports. Gray explained that it was eventually determined that BANNER was not compatible with the specific data needs of OAL and that a recent estimate cited a cost of about \$400,000 to make it work, with additional costs likely. Gray stated that subsequent to implementation of the BANNER system in the mid-1990s, IT staff and project money were devoted to implementation of PASSPORT, a system specifically required by the GED Division of OAL to meet federal requirements.

Gray stated that his OAL primary point of contact is Manager Kim Lee. He stated that he has assisted Lee by researching information relating to the use of Literacy Pro and/or Aceware software programs for possible use in OAL to meet their reporting requirements. Gray stated that approximately 19 of the 37 SDAs currently use Literacy Pro. He stated that about a year ago, he had gotten an estimate of \$108,000 as a figure reflecting the costs of placing the program at the

remaining SDAs. Gray stated that additional funds would be needed in order to get the program standardized and properly interfaced for federal reporting requirements.

When asked about his knowledge of the Access 2000 database currently used by OAL, Gray described it as “a very light-weight database and not Oracle-based as are more reliable systems.” He stated that he was under the impression that the use of Access 2000 is a “minimal exercise on the part of OAL to accumulate data.” Gray stated that his staff does not support the Access 2000 but rather two technical staff members of OAL maintain the program.

Gray stated that during the last two years, increased emphasis has been placed on OAL's need for a more reliable MIS system. According to Gray, this is a result of Workforce Incentive Grants and the fact that OAL is “apparently behind the curve on some federal requirements.” Gray provided excerpts from the agency's Strategic Plan of 2003, outlining IT project initiatives, including the need for a MIS system in order to comply with data required for the National Reporting System. Gray was not aware of the outcome of a recent federal review by the US DOE's OVAE and the fact that there was a documented “Required Action” to “implement a MIS system.”

IV. CONCLUSION

The OIG investigation disclosed no evidence to suggest that Shaw purposely or fraudulently reported data on any state or federal reports compiled within the Office of Adult Literacy. Shaw, however, admitted the fact that the agency's data collection efforts as a whole have resulted in inaccurate reporting practices.

This investigation revealed the existence of an inefficient and cumbersome data collection and reporting system that was “homespun” by an OAL employee (Halloran). By using Access 2000 to create spreadsheets mirroring federally required data fields, Halloran attempted to help the Office of Adult Literacy comply with federal guidelines. However, evidence disclosed throughout this investigation documents the fact this software is simply not technologically savvy enough to track, aggregate, and report program data from 159 counties and 37 Service Delivery Areas in the State of Georgia.

Had the agency used awarded grant funds to follow their own Strategic Plan and established an NRS compliant individual student level database, this allegation would not have surfaced. As confirmed throughout the investigation, the absence of such a MIS system has resulted in the decreased efficiency of both employees and programs.

OAL's Management Information System must be capable of accurately producing numerous state and federal reports. The MIS system should give the OAL ability to enter data on the spot and retrieve it in management report format. This, in turn, will give the agency the capability to measure the success of programs while at the same time provide continuous improvement of service to the adult education population in Georgia.

As mentioned earlier in this Report of Investigation, the U.S. Department of Education visited DTAE in April 2005 for the first time in approximately fourteen years. Their official findings are outlined in a document entitled, “Review of Federal Technical Assistance.” The federal report contains commendations on the accomplishments of the Georgia adult education program, required actions to be addressed by the state, and recommended strategies that the state may wish to implement to improve program quality and accountability standards.

In summary, the state's existing data collection system does not have the capacity to report information as required by a federal mandate. This OIG investigation further documented the reasons for “Required Action #1” which reads, “Establish an individual student level database, complying with National Reporting System (NRS) requirements.”

V. RECOMMENDATIONS

Based upon our findings, the OIG offers the following administrative recommendations. The OIG requests that DTAE provide a written response regarding the implementation of these recommendations within 30 days of the issuance of this report.

1. Establish an individual student level database, complying with the National Reporting System (NRS) requirements. As outlined in the U.S. Department of Education's April 2005 "State Monitoring and Technical Assistance Report," the DTAE's management information system is not in compliance with the federal mandate.
2. Provide the OIG with a copy of the agency's Corrective Action Plan (CAP) for the required actions addressed in the U.S. Department of Education's April 2005 "State Monitoring and Technical Assistance Report." The OIG will monitor the plan to evaluate agency compliance.
3. Review staff assignments within the OAL, to ensure employees are being used commensurate with their skills and abilities, in order to accomplish goals and objectives of the Division and the Agency.
4. Review Information Technology (IT) support staff assignments in the Office of Adult Literacy specifically to determine if they should remain allocated to OAL or be integrated into the main IT Division.
5. Develop better communication and enhance cross-training skills among employees within the OAL, to ensure that all employees within the Division understand their operational requirements and administrative parameters as they relate to state and federal rules and regulations.
6. Develop better communication within the Office of Adult Literacy and other Divisions. During this investigation, it was apparent that either the OAL staff failed to communicate clearly and/or the IT staff failed to clearly understand the required federal mandate imposed on OAL to implement a management information system, complying with the National Reporting System requirement of the Workforce Investment Act of 1998.

VI. Referrals

There are no referrals relating to this complaint.